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ACT 05/043
cc DRL 033
L Braxton
R Daniels
L Kungler

GENWAL COAL COMPANY

February 6, 1990

RECEIVED
FEB 09 1990
DIVISION
OIL, GAS & MINING

Mr. George Morris
Forest Supervisor
Manti Lasal National Forest
599 West Price River Road
Price, UT 84501

RE: Right-of-way Application
Genwal Coal Company

Dear Mr. Morris:

Pursuant to CFR 3431 Genwal Coal Company formally submits to you the enclosed right-of-way application. This application is the result of our 1/26/90 meeting with the U.S. Forest Service, Bureau of Land Management, and Division of Oil, Gas and Mining concerning the options and time frame available to Genwal Coal Company to access additional coal reserves located to the west of the existing Genwal Coal Company lease area.

The review and approval of this right-of-way application is paramount to the future of Genwal Coal Company. Your consideration of this application is greatly appreciated.

Should you have any questions or need additional information, please feel free to contact me at 687-9813.

Sincerely,

GENWAL COAL COMPANY

Signature of Allen P. Childs
Allen P. Childs
Mine Manager

tr

Enclosure

cc: Ira Hatch - U.S.F.S.
Randy Heuscher - BLM

USDA-Forest Service SPECIAL-USE APPLICATION AND REPORT (Ref.: FSM 2712, 36 CFR 251.54)	FOREST SERVICE USE ONLY			
INSTRUCTIONS Applicant should request a meeting with the Forest Service representative responsible for processing the application, prior to completing this form. This meeting will allow a discussion of the form's requirements and identify those items to be omitted.	Date Received (mo/day/yr) ____/____/____	Region Number ____	State Code ____	County Code ____
	Congressional Dist. Number ____	Forest Code (Admin. Unit No.) ____	Unit ID Symbol (NFFID No.) ____	
	Ranger Dist. No. (Resp. Dist.) ____	User Number ____	Kind of Use Code ____	

PART I—APPLICATION (Applicant Completes)

1. Applicant Name and Address (Include Zip Code) Genwal Coal Company	2. Authorized Agent Name, Title and Address (include Zip Code) if different from Item 1. Allen P. Childs Mine Manager Genwal Coal Company P.O. Box 1201 Huntingtonton, UT 84528	3. Area Code and Telephone Number a. Applicant's 801-687-9813 b. Authorized Agent's 801-687-9813
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4. As applicant are you? (Mark one box with "X") a. <input type="checkbox"/> Individual b. <input checked="" type="checkbox"/> Corporation* c. <input type="checkbox"/> Partnership/Association* d. <input type="checkbox"/> State Government/State Agency e. <input type="checkbox"/> Local Government f. <input type="checkbox"/> Federal Agency * If marked "X", complete PART II.	5. Specify what application is for: (Mark one box with "X") a. <input checked="" type="checkbox"/> New authorization* b. <input type="checkbox"/> Renew existing authorization c. <input type="checkbox"/> Amend existing authorization* d. <input type="checkbox"/> Other* * If marked "X", provide details under Item 7.
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6. If you are an individual or partnership, are you also a citizen(s) of the United States?
☐ Yes ☐ No

7. Describe in detail the land use, including: (a) type of use, activity, or facility; (b) related structures and facilities; (c) physical specifications (length, width, acres, etc.); (d) term of years needed; (e) time of year of use or operation; (f) duration and timing of construction; (g) temporary work areas needed for construction; and (h) anticipated need for future expansion. (If extra space is needed, use Page 3, REMARKS).

(a) Underground entries located approximately 1500' below the surface in the Hiaawatha Coal Seam. The right-of-way would support six entries 20'x8'x3960'. In the area designed for the crossing the number of entries would be reduced to three.

(b) Existing coal mine facilities, no further expansion of surface facilities required.

(c) 3969' x 560' (See Figure 1 and Drawing 256-003).

(d) The anticipated project life at this time is in excess of 60 years.

(e) Year round use.

(f) Life of mine for un of mine, four months to drive right-of-way headings.

(g) None.

(h) None via right-of-way.

8. Attach map covering area and show location of proposed use and/or furnish legal description of the land.
 See Figure 1.

9. Give statement of your technical and financial capability to construct, operate, and terminate the use for which authorization is requested, including the protection and restoration of Federal lands. (If extra space is needed, use page 3, REMARKS).
 See attached Item 9.

10a. Describe other reasonable alternative proposals considered.

The depth of the coal prevents any reasonable alternate access from the surface to the coal reserves in question. A lease modification of federal coal lease #U-54762 could be implemented. A new federal coal lease by application

10b. Give explanation of why it is necessary to utilize Federal lands and why the alternatives in item 10a were not selected.

See attached Item 10b.

11. Provide statement of need for proposed use, including the economic feasibility and items such as: (a) cost of proposal (construction, operation, and maintenance); (b) estimated cost of next best alternative; and (c) expected public benefits. (If extra space is needed, use page 3, REMARKS).

See attached Item 11.

12. Describe probable effects on the area population, including social and economic aspects, and rural lifestyles.

See attached Item 12.

13. Describe likely environmental effects that the proposed use will have on: (a) air quality; (b) visual impact; (c) surface and ground water quality and quantity; (d) control or structural change on any stream or other body of water; (e) existing noise levels; (f) land surface, including vegetation, permafrost, soil and soil stability; and (g) populations of fish, plant, wildlife and marine life, including threatened and endangered species. (If extra space is needed, use page 3, REMARKS).

See attached Item 13.

14. Describe what actions will be taken to protect the environment from the effects of the proposed use.

See attached Item 14.

15. Name all Federal, State, County or other department(s)/agency(ies) where an application for this is being filed. Attach appropriate license, building permit, certificate or other approval document.

See attached Item 15.

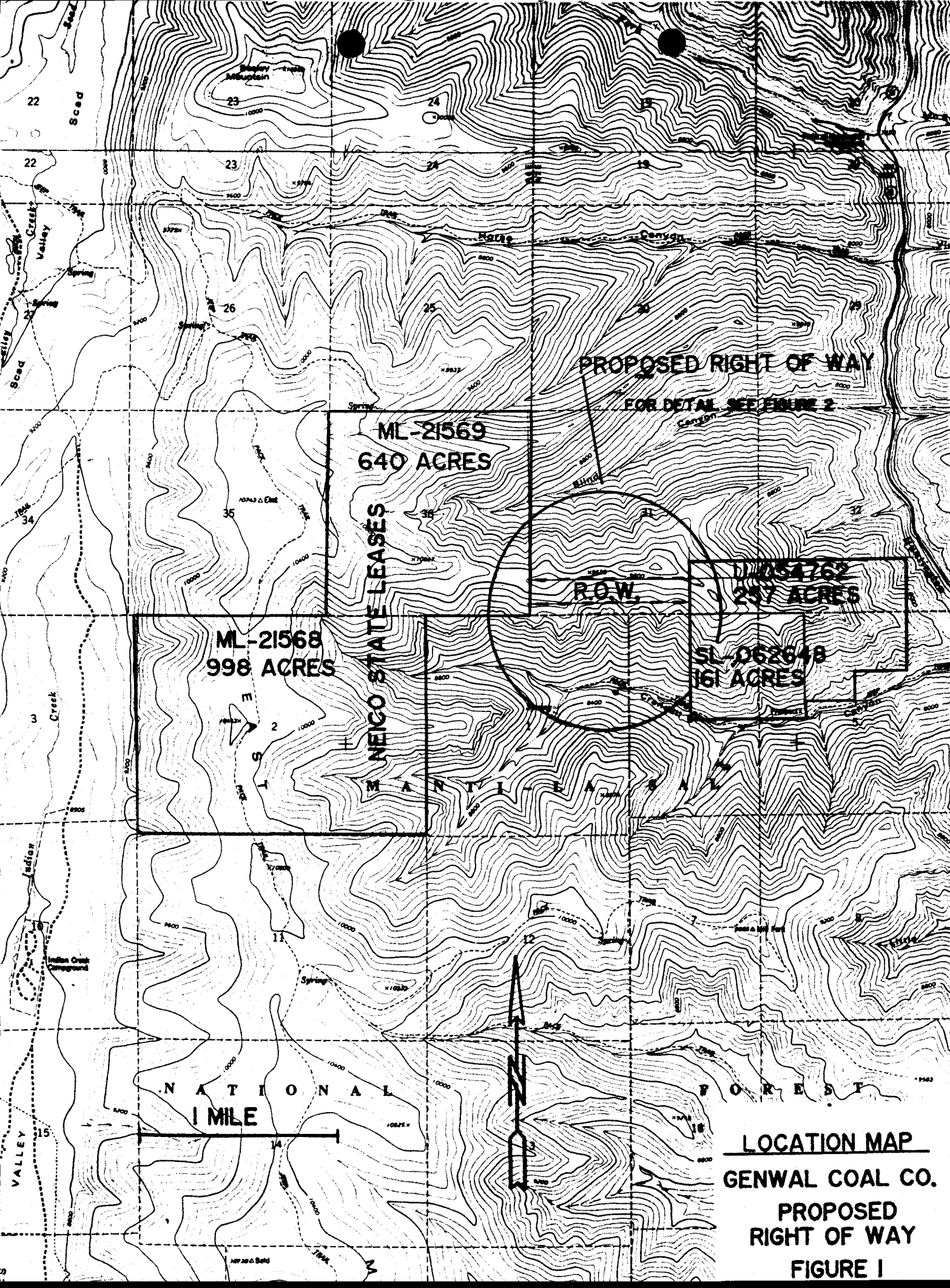
I HEREBY CERTIFY, that I am of legal age and authorized to do business in the State and that I have personally examined the information contained in the application and that this information is correct to the best of my knowledge.

16a. Applicant's Signature (Sign in ink)

16b. Date

2/6/90

Title 18, U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.



ML-21569
640 ACRES

ML-21568
998 ACRES

NEICO STATE LEASES

PROPOSED RIGHT OF WAY
FOR DETAIL SEE FIGURE 2

D-054762
R.O.W.
257 ACRES

SL-062648
161 ACRES

NATIONAL
1 MILE

LOCATION MAP
GENWAL COAL CO.
PROPOSED
RIGHT OF WAY
FIGURE 1

ITEM 9

9. Genwal Coal Company (GCC) is a wholly owned subsidiary of Nevada Electric Investment Company Inc., which is a wholly owned subsidiary of Nevada Power. Nevada Power is a publically owned utility with assets of approximately \$138 million and annual revenues of \$600 million. GCC has operated a coal mine in the immediate area for the last eight (8) years. All underground equipment, personnel and technical capabilities are in place. The required right-of-way will be constructed, maintained, operated and terminated in accordance with all federal and state regulations which has been the practice of GCC over the last eight (8) years.

ITEM 10b

- 10b. During several of the pre-application meetings it was determined that access to coal north of this corridor must be obtained. A lease modification would grant GCC control over the corridor. The right-of-way would maintain access over the top of our entries for another lease. Due to Nevada Power's section 3 problem GCC is unable to lease additional federal coal.

GCC currently has control of federal coal leases SL-062648 and U-54762 and state coal leases ML 21568 and ML 21569. It is necessary for GCC to cross federal lands to access these state leases. The coal reserves in the federal lease are within 6-8 months of being exhausted without pillaring coal that is remaining in the barrier pillars to adequately protect future access.

A majority of the remaining 6-8 months of mining is located adjacent to the Huntington Canyon and is in the northeast section of the federal lease U-54762. If GCC is forced to mine all the remaining federal coal, we will not have a contingency block of coal available to mine in the event unforeseen geologic conditions, which may require several months to mine through (i.e., faults, grabens, etc.), are encountered.

The state leases have a block of coal projected at 20 million recoverable tons. GCC's parent company presently has a Section 3 problem and is not able to lease additional federal coal at this time. In the event GCC is unable to cross federal land, GCC would have to dramatically reduce or temporarily curtail mining operations. A reduction in operational capacity would reduce employment and a potential loss of contracts would be imminent. At the present time GCC employs approximately 70 people directly or indirectly. A planned reduction in the work force would directly effect

approximately 40 people.

In order to obtain long term contracts it is often necessary to demonstrate accessible reserves (especially exports). The proposed corridor would allow this criteria to be met immediately. The favorable resolution of the Section 3 problems may be several years off which would preclude any additional expansion.

ITEM 11

11. GCC anticipates an immediate additional cost of approximately \$30,000 in additional roof support immediately and a 2.5 million dollar bond will be posted to secure crossover construction. (See attached design and cost estimate for right-of-way crossover. See Item 16.) The additional roof support would be required in the area where the proposed access entries to the northern block of coal would be located. The remaining costs associated with the right of way would be the same as the costs associated with the mining of any block of coal.

b) The next best and only alternative, the lease modification, would result in exactly the same cost to GCC.

c) As stated above GCC employs directly or indirectly approximately 70 people. Without the corridor to access our only reserve, the mining operation would have to be scaled back tremendously. Without this employment in the local area, unemployment would increase significantly. GCC produces coal for out of state consumption and has been negotiating with several export markets. The influx of money from out of state and export markets has a tremendous positive effect on the local area economy. The local economy presently has been on a downward trend and the unemployment in the area has recently been at an all time high. There are presently no mines operating in state trust lands within the state of Utah. This corridor and access to these state leases would allow the state government to generate greater revenues for the schools and educational system throughout the state. In order to provide the employees with a secure future GCC has positioned itself to develop the coal reserves, expand production, develop a broad base market and upgrade equipment, without this corridor these items may not be accomplished. Allowing a mine to expand within the market area and provide a broad base of production is a healthy scenario for the state, this will allow the state's economy to be able to be expanded more rapidly as the market demand increases. Increased domestic competition will allow the United States to become more competitive with other foreign coal producing countries. A mine capable of immediate expansion without further surface

disturbance is environmentally attractive.

ITEM 12

12. Granting of the right-of-way will have no effect on the population of the area. A rejection of the right-of-way may have a population reducing effect on the area. This reduction would result from our employees having to leave the area for other employment. Reduction of employment will have a negative effect on the local economy. There are presently five mining operations in Emery County. GCC employs approximately 70 people directly or indirectly, with an average wage of \$30,000/year. A reduction of 50 people would reduce local capital infusion by approximately 1.5 million (out of state) dollars.

With the granting of the right-of-way there would be no impact on both the social or rural aspects of local residents. Should the right-of-way be rejected the uncertainty of employment on the local residents would create a negative social impact.

ITEM 13

13. (a) None N/A

(b) None

(c) Surface Water - None *assumes all GW will be consumed*

Ground Water - The ground water will be effected to the same degree as the existing operation effects it. The mine does not produce water from the roof or floor until pillar-ing begins, we will not pillar this area until directed by the BLM. See the ground water section of the MRP for further discussions.

(d) N/A

(e) No additional noise will be created by the right-of-way.

ITEM 14

14. The right-of-way will not effect ANY surface structures. The entries will be designed and constructed to eliminate surface subsidence. At a depth of approximately 1500' and a width of 180' no subsidence will occur. No second mining would occur at the present time unless directed by the BLM. Crosscuts and entries would be supported by concrete cribs as needed to

support the roof.

ITEM 15

15. Bureau of Land Management
900 North 700 East
Price, UT 84501
- Copies to: Bureau of Land Management
324 South State
Salt Lake City, UT 84111
- U.S. Forest Service
599 West Price River Drive
Price, UT 84501
- State Lands
355 West Temple
3 Triad Center, Suite 400
Salt Lake City, UT 84180-1203
- Division of Oil, Gas & Mining
355 West Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

ITEM 16

16. COST ESTIMATE:

This cost estimate represents an engineering estimate for the work based on conditions and drill logs presented by Genwal Coal Company. This estimate should not be considered as a definitive fixed price bid.

This estimate is prepared in first quarter, 1990, U.S. Dollars. It is based on contractor's performance and includes; mobilization, contractor's plant setup, 3000 linear feet of development, demobilization, overhead and fee plus a contingency for extra work.

Estimated Cost:

1.	Mobilization	\$55,000
2.	Plant Set-up	228,200
3.	Entries-Inclined Section	537,000
4.	Entries-Horizontal Section	803,800
5.	Entries-Dcline Section	471,800
6.	Plant Take Down	22,400

7.	Demobilization	41,100
8.	Contingency	<u>323,900</u>

TOTAL	\$2,483,200
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Total Estimated Project Cost - use	\$2,483,200
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